



## Dual pillars of hotel restaurant food quality satisfaction and brand loyalty

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Abstract

**Purpose:** Current study investigates the impact of service quality (physical quality and staff behaviour) and brand equity (brand quality, brand awareness and brand image) on hotel restaurant food quality satisfaction and brand loyalty among international and local travellers in Malaysia.

**Design/methodology/approach:** A total of 354 valid questionnaires were collected to assess the measurement and structural model for reflective latent constructs using the two steps of covariance-based structural equation modelling (CB-SEM).

**Findings:** The research findings suggest that while travellers’ nationality moderates the path between physical quality, staff behaviour and brand image on food quality satisfaction, it does not moderate the relationship between brand quality and brand awareness on food quality satisfaction. This finding further suggests that toward enhancing service quality and brand equity on food quality satisfaction and brand loyalty, managers should understand the important distinctions between international and local travellers.

**Originality/value:** Previous studies have mostly examined the impact of brand equity and service quality towards tourist satisfaction and very few studies have examined the impact of restaurant service quality and brand equity on consumer satisfaction and brand loyalty specifically among international and local travellers. This is one of the first few studies providing empirical evidence and discussions in this area.

**Keywords:** Service quality; hotel restaurant food quality; brand equity; food quality satisfaction; brand loyalty

**Paper type:** Research paper

## 1. Introduction

Service quality has been progressively defined as the main element in service distinction (Baker and Magnini, 2016) that play a key role in customer satisfaction, employee satisfaction and profit in contrast to their rivals who are not concerned with their service quality. Looking at the services context and more specifically restaurant industry there is still limited empirical research for this claim. In the marketing literature, the brand is presented as a robust mechanism for the distinction of products. The increased competition between various restaurant companies with similar characteristics makes the brand a key differentiating factor (Callarisa *et al.*, 2012; Harrington *et al.*, 2017). However, there are a limited number of studies on the importance and role of restaurant brands (Callarisa *et al.*, 2012; Hemsley-Brown and Alnawas, 2016; Kayaman and Arasli, 2007).

Customer loyalty and satisfaction is considered to be a significant metric for the industry due to its favourable implications on market share and financial performance. The study by Li *et al.* (2013) confirms that customers' satisfaction with physical facilities, staff behaviour, quality service, cleanliness, location, value for money, internet access, and food, with additional factors like parking, and room service make them loyal. Service providers have a diverse image, and each customer has different impression and experiences. A solid brand image improves corporate esteem, financial performance and profitability (Fung *et al.*, 2013; King, 2017). Most of the studies have investigated the relationship between tourists' satisfaction and intention but few studies have investigated brand equity and loyalty, which are influenced by customer satisfaction in the restaurant industry. Toward addressing this gap, this study aims to examine the impact of service quality factors (physical quality, staff behaviour) and brand equity factors (brand quality, brand awareness and brand image) on food quality satisfaction and brand loyalty of Malaysian

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3 restaurants from international and local travellers’ perspectives. First, the importance of service  
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5 quality and brand equity is discussed. Second, the theoretical research framework and research  
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7 hypotheses are presented. Third, the research methodology employed for this study is explained.  
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10 Next, study results are presented and discussed. Finally, conclusions and recommendations  
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12 emerging from this study are provided.  
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15  
16 **2. Theoretical background and hypothesis development**

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18 Figure 1 presents the theoretical research framework developed for this study, which is  
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20 established based on service quality research (Ekinici *et al.*, 2008), brand equity model (Aaker,  
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22 1996) and consumer-based brand equity (Nam *et al.*, 2011). According to Keller (1993),  
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24 consumer-based brand equity refers to a favourable memory and unique brand association held  
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26 by consumers. The model of Aaker (1991) mainly includes centres of brand equity, such as  
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28 brand association, brand awareness, perceived quality and brand loyalty.  
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32 According to Baumgarth and Schmidt (2010), the brand identity notion was originally  
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34 established by Aaker (1996). Several definitions of the brand equity concept have been discussed  
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36 in the literature but still, there is no common agreement about its measurement. In order to  
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38 understand service quality and its measurement, several models and frameworks such as  
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40 SERVQUAL have been proposed (Parasuraman *et al.*, 1988). In particular, SERVQUAL pays  
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42 more attention to the service and the facility in which the service is provided. As the level of  
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44 quality perception increases, it can influence consumer perception, food quality satisfaction, and  
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46 loyalty.  
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51 **Insert Figure 1: Theoretical Research Framework**  
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## 2.1. Service quality factors

Previous studies found a positive link between the quality of services and satisfaction (Nam *et al.*, 2011; Min and Min, 2006), and also satisfaction is connected with quality and value service perception. Service quality is found to have a direct and indirect impact on customer satisfaction. It positively and directly influences behavioural intention. It is also affected indirectly via satisfaction (Min and Min, 2006; Kashif *et al.*, 2015; Khudri and Sultana, 2015). Meanwhile, service quality is essentially a cognitive assessment of customer perception, which is the main factor in developing a strong brand service to improve and make a unique brand in the market (Nam *et al.*, 2011). Therefore, the service quality factor in this study consists of physical quality and staff behaviour, which was proposed by Ekinici *et al.* (2008).

### 2.1.1. Physical quality

Behavioural intention is positively and indirectly affected by perceived service quality. Satisfaction is positively influenced by service quality perception (Hutchinson *et al.*, 2009), and significantly affects tourist satisfaction and loyalty. Consumer satisfaction along with brand experience is positively impacted by physical quality, which is one of the elements of service quality (Nam *et al.*, 2011). Thus, the following is hypothesised:

**H1:** *There is a positive relationship between physical quality and food quality satisfaction in the restaurant industry.*

### 2.1.2. Staff behaviour

Service quality depends on the emotional side of the customers in terms of quality and the interaction between customers and service providers. The service behaviour of employees is an

important factor for assessing service quality (Ekinici *et al.*, 2008). According to Chen (2008), the abilities of employees include items such as eagerness of staff to assist, good manners of staff, quick and great services, cleanness, effective booking, excellent checking in and a great image of safety.

Previous studies (Chen, 2008; Nam *et al.*, 2011) have examined the relationship among consumer variables that include customer satisfaction, value and purchase intention with service quality. Customer satisfaction along with brand experience is positively affected by staff behaviour and employee satisfaction (Nam *et al.*, 2011). High level of service quality can cause a higher satisfaction, and positive behavioural intention (Chen, 2008). Furthermore, employee satisfaction precisely impacts customer loyalty, which, in turn, results in management services and policies that enable employees to transfer the outcome to the customers. Thus, the following is hypothesised:

***H2: There is a positive relationship between staff behaviour and food quality satisfaction in the restaurant industry.***

**2.2. Brand equity model**

Brand equity is a method to assess the contribution of the brand name to the whole value of the product. A high degree of brand equity raises consumer satisfaction, repurchasing intent, and level of loyalty (Kim *et al.*, 2008) even though customer satisfaction does not always lead to loyalty (Lee and Back, 2008). Therefore, in this study, these factors are considered to have a positive impact on food quality satisfaction in restaurants.

### 2.2.1 Brand quality

Brand quality is one of the main attributes of brand equity (Callarisa *et al.*, 2012). It can improve customer loyalty and lead to a better market share. The significance of the perception of quality as the main source of customer brand equity has already been identified as the motivating power behind the business to business branding technique (Chen *et al.*, 2011; Ponnampalani and Balaji, 2015). Seven other attributes of service quality that are used in the customer brand equity model are features, quality confirmation, performance, durability and reliability, style serviceability, and, finally, design (Callarisa *et al.*, 2012). The outcome suggests that a higher level of brand equity can enhance more pleasant measurement. In the context of hospitality, it shows that perceived quality decides the brand value of the trip and destination, and, in turn, has a positive impact on brand loyalty (Callarisa *et al.*, 2012; Harrington *et al.*, 2017). Thus, the following is hypothesised:

**H3:** *There is a positive relationship between brand quality and food quality satisfaction in the restaurant industry.*

### 2.2.2 Brand awareness

Brand awareness is one of the most significant elements for the retrieval of information about the brand and is considered as a first and essential, but not sufficient step leading to trial and repeat intention (Callarisa *et al.*, 2012). Brand awareness indicates whether the individual customer can remember or identify a brand easily, or just simply find out if they know or have heard of the brand before (Huang and Sarigöllü, 2012). Furthermore, consumer decision-making is influenced by brand awareness and consumers generally utilise brand awareness as an exploratory decision (Huang and Sarigöllü, 2012).

Brand awareness refers to an image of any particular destination that is created in the minds of consumers (Ferns and Walls, 2012), which is related to the power of the brand node (Lee and Back, 2008). Based on Lee and Back (2010), brand awareness positively influences satisfaction. The brand name is the most crucial factor of brand awareness. The outcome shows a positive relationship between brand awareness and brand equity (Huang and Sarigöllü, 2012). A brand with a higher rank in awareness in any particular industry could be considered as a set of potential customers (Baumgarth and Schmidt, 2010). Likewise, brand awareness relates positively to industrial brand equity (Chen *et al.*, 2011). Therefore, the value is added to the products or services of brand equity that can raise customer satisfaction, and, eventually, result in higher profit for the restaurant business (Ferns and Walls, 2012). Thus, the following is hypothesised:

**H4:** *There is a positive relationship between brand awareness and food quality satisfaction in the restaurant industry.*

2.2.3. Brand image

Previous studies suggest that brand image is an emotional factor of a brand that follows a relative network in the mind of the consumers. Brand image is anything connected to the customer memory that applies to brand (Namkung and Jang, 2013). The restaurant environment and the quality of the food positively affect brand image and leads to further satisfaction. According to Beristain and Zorrilla (2011), the image of the store positively impacts on the loyalty. Moreover, brand equity is impacted positively by brand image. Dolbec and Chebat (2013) suggest that the image of the store could affect the variables of the brand, such as brand attitude, attachment and equity through brand experience. From the consumer's point of view, there is evidence showing



that brand image influences customer choice and their perceptions of customer value (Callarisa *et al.*, 2012). Brand image can be translated into what customer can gain. Thus, the following is hypothesised:

**H5:** *There is a positive relationship between brand image and food quality satisfaction in the restaurant industry.*

### 2.3. Brand loyalty

Brand loyalty is the “dependency of the customers on brands” (Aaker, 1991, p. 65). It demonstrates the repeated non-random purchase that is shown over time and could be the result of a psychological process, such as cognitive, emotional, or conative (Beristain and Zorrilla, 2011). Brand loyalty is about customer intention to pay a high range of prices and spend more on some special type of brand and also customers recommending it to other people around them (Ferns and Walls, 2012). Namkung and Jang (2013) identified the significance of customer satisfaction in order to establish a brand, while other researchers found that brand loyalty is a variable of customer brand equity. However, Lee and Back (2008) found that satisfaction does not essentially steer to a high level of repurchase. According to Ekinici *et al.* (2008), consumer satisfaction will positively impact on the overall attitude of the consumers to the service sector as well as positively influence the revisit intention. Customer loyalty is the main attribute of brand equity (Callarisa *et al.*, 2012). Thus, the following is hypothesised:

**H6:** *There is a positive relationship between food quality satisfaction and brand loyalty in the restaurant industry.*

### 2.4 The moderating role of international and local travellers

The tourism industry in Malaysia has shown a strong growth and has become a significant source of income that is devoted to sustainable development for the economy. The Malaysian government considers tourism as a source of employment, foreign exchange, devoted to the progress in the economy, drawing attention to investments, and also enhancing the services account of the payment level. With the rapid predicted progress of the hospitality and tourism industry, previous literature recommends a necessary prerequisite, which is to source an adequate amount of trained staff for this sector (Goldsmith and Zahari, 1994). Local and international traveller's expectations of hotel and restaurant service quality have been acknowledged as being an important factor. Despite the fact that tourists consider hospitality as a dominant element in determining the overall satisfaction level, empirical findings (Mey *et al.*, 2006) reveal that tourist perceptions toward service quality in Malaysia were lower than what they expected. Thus, the followings are hypothesised

**H7:** *There is a significant difference between international and local travellers in determining the impact of (H7a) physical quality; (H7b) staff behaviour; (H7c) brand quality; (H7d) brand awareness; (H7e) brand image on food quality satisfaction; and (H7f) food quality satisfaction on brand loyalty in the restaurant industry.*

**3. Method**

**3.1. Instrument design**

To measure the exogenous and endogenous reflective constructs, the scales were adopted from previous studies as a methodological norm (Westland, 2015). A 7-point Likert scale, anchored from strongly disagrees to strongly agree was used to measure the reflective latent constructs. To measure physical quality, 3 items were adopted from (Ekinici *et al.*, 2008) and to measure staff

behaviour, 5 items were adopted from (Ekinci *et al.*, 2008; Hyun, 2009). In addition, to measure brand quality, brand awareness, and, finally, brand image, 3 items for each were adopted from a previous study (Liao and Cheng, 2014). Food quality satisfaction was measured by 7 items (Ariffin, 2013; Ekinci *et al.*, 2008) and brand loyalty by 6 questions (Buil *et al.*, 2013). The questionnaire also asked the respondents regarding the endogenous and exogenous variables in this study.

### 3.2. Sampling and data collection

The target population in this study was international and local travellers who visited a restaurant in Kuala Lumpur City, Malaysia. The non-probability sampling technique was employed. In addition, among the different types of non-probability sampling technique, purposive sampling was deployed to empirically test the hypotheses of the study. Following a previous study (Ariffin, 2013), local and international travellers respond to study questionnaire. A pilot test ( $N=29$ ) of respondents was conducted before distributing the questionnaires, to determine whether the questionnaire was suitable for capturing the required data. In addition to the pilot test that was conducted to establish whether the questionnaire was easy to understand by the respondents, content validity and face validity were considered in this study. Following previous studies' guidelines, (Babin and Burns, 1998), a careful consideration was given to the face validity of the proposed measurements of constructs. Firstly, three experts were consulted concerning the domains of the proposed dimensions and secondly, a focus group was selected to further explore whether the research constructs were reasonable and meaningful from a typical respondents point of view.

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**3.3. Data analysis**

Once all the data was collected, it was keyed into the statistical package for social sciences software version 17.0 (SPSS-Version 17.0). SPSS software was used in order to analyse the data in section A (characteristics of respondents) and for preliminary statistical analysis in section B (missing value treatments and *t-test*). To examine the relationship between hypotheses in section B, measurement and covariance-based structural equation modelling (CB-SEM) were performed. AMOS version 21.0 was used to conduct statistical analysis. Following Hair *et al.* (2009), the two-step analytical procedure was employed in which the measurement model was evaluated first and then the structural model was assessed.

We assessed the models of outer loadings, composite reliability (CR), average variance extracted (AVE = convergent validity) and discriminant validity. Moreover, from AMOS software, the assessments were achieved for the purpose of structural model relationships (path coefficients= *b*), which demonstrates the hypothesised relationships among variables. A common problem in survey studies and methodology is the missing values, which researchers should deal with to confirm that the conclusions are valid (Schafer and Olsen, 1998). In this study, we performed the expectation maximisation algorithm to impute missing values and handle missing values using SPSS software.

**3.5. Common method variance (CMV) and non-response bias**

This study addressed the potential threat of Common method variance (CMV) by using guidelines proposed by Podsakoff *et al.* (2003). In addition to CMV, non-response bias is also a concern in survey methodology since it limits the generalizability of the research findings (Rezaei and Ghodsi, 2014). To address non-response bias, we assessed analysis of known

characteristics and wave analysis according to the continuum of resistance theory (Lin and Schaeffer, 1995). Therefore, CMV, non-response bias was not found to be an issue or concern in this study.

#### 4. Results

In total 400 paper-and-pencil questionnaires were distributed among tourists, of which 362 questionnaires were collected. Out of the 362 questionnaires, 8 questionnaires were not properly completed. Thus, for this study 354 questionnaires were obtained with a response rate of 88.5%.

Table 1 presents the demographic characteristics of the respondents.

#### **Insert Table 1: Demographic Characteristics of Respondents**

##### **4.1. Measurement model**

Table 2 presents the Confirmatory Factor Analysis (CFA) results for the measurement model. The internal reliability measured by Cronbach's Alpha (Cronbach and Meehl, 1955), and Hair et al. (2009), shows high reliability for all constructs since all the values were above 0.7. However, items PQ6, SFB5, CS3 and BL3 were removed due to low loading (below 0.60). Furthermore, all factor loadings were above 0.7, composite reliability (CR) was above 0.8 and average variance extracted (AVE) values were above 0.5, which shows that there is convergence among the research constructs. In addition to the convergent validity, discriminant validity of constructs was assessed and the results show that the square root of the AVE found relatively higher than its correlations with all other research constructs. Accordingly, the diagonals which represent the square root of AVE and the other entries represent the squared correlations, discriminant validity was established among the research constructs since the correlation values between constructs

range from 0 to 1. Therefore, content validity, face validity, construct validity, convergent validity and discriminant validity were conducted to ensure the findings are highly reliable.

**Insert Table 2:** Results of CFA for measurement model

**4.2. Structural model**

After the measurement model and CFA was assessed and established, the second step was to assess the structural relationship. Using the maximum likelihood method (MLE), the structural model was established (Table 3). The fit statistics are above the recommended values showing a good model fit in which the model explains 55% of the variance in food quality satisfaction and 59% for brand loyalty. Accordingly, *df* is 303 with  $X^2$  of 92.723 and  $X^2/df = 2.114$ . Moreover, GFI = 0.929, AGFI=0.882, CFI=0.947, RMSEA=0.007 and NNFI (TLI) = 0.914, which, relatively, comply with the threshold recommended values. Furthermore, the research hypotheses were assessed, as shown in Table 4 (direct effect) and Table 5 depicts multigroup moderation results (international vs. local travellers).

**Insert Table 3:** Fit Indices and Recommended Values

**Insert Table 4:** Hypotheses testing (direct effect)

**Insert Table 5:** Multigroup moderation results (international vs. local travellers)

**5. Discussion**

This study sought to investigate the influence of service quality elements, of physical quality and staff behaviour; and brand equity factors comprising brand quality, brand awareness and brand image on food quality satisfaction and to understand consumer satisfaction and brand loyalty in the restaurants in Malaysia. As discussed earlier, most of the previous studies examined tourist behavioural intention, satisfaction and loyalty (Lee *et al.*, 2011) toward the combination of

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3 accommodation and restaurant services. Very few studies have examined the value that a brand  
4 creates for a restaurant business. Furthermore, very few previous studies have examined service  
5 quality and brand equity factors on food quality satisfaction and brand loyalty among local and  
6 international travellers.  
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12 While the findings of this current study offer support to previous studies, they also  
13 provide additional insights and make a contribution to the body of knowledge. According to the  
14 study findings, physical quality positively influences food quality satisfaction. As conceptualised  
15 by Brady and Cronin (2001), physical quality defines the basis for service quality perceptions,  
16 which is consistent with the research findings of this study. Using SEM analysis, Ryu *et al.*  
17 (2012) also confirmed that physical quality determines the restaurant image and customer overall  
18 perception of value and satisfaction. Thus, it is concluded that physical quality is important and  
19 critically creates value and food quality satisfaction among Malaysian local and international  
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34 Staff behaviour is also found to significantly contribute to service quality and food  
35 quality satisfaction. Gustafsson *et al.* (2006) found that staff quality and behaviour significantly  
36 influence consumer perception and perceived quality of food in restaurants. For example,  
37 Abubakar and Mavondo (2014) concluded customer satisfaction is important to all commercial  
38 organisations due to its influence on word of mouth promotion and repeat purchases. The service  
39 environment strongly predicts whether hotel meets the guest expectation and to provide value  
40 within this context. Brexendorf *et al.*, (2010) found that the salesperson satisfaction steers toward  
41 brand loyalty by improving the brand attitude as well as the loyalty of the sales person. In fact,  
42 the whole procedure of human resources, which had a direct impact on service quality customer  
43 perception and conversely an indirect influence via service behaviour of the employees.  
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Nevertheless, Hutchinson *et al.*, (2009) discovered that value and satisfaction did not have a significant impact on service quality but that the quality of service had an important influence on equity.

Consistent with the current study findings, Hyun and Kim (2011) found that brand equity attributes, such as brand awareness, image, quality, and loyalty, are devoted to the whole chain of restaurants. In addition, previous studies stressed that brand awareness is an essential element of brand loyalty as well as brand image. Esch *et al.* (2006) claimed that intention to purchase was influenced by the brand image in a direct manner, while awareness was usually indirect. Therefore, brand awareness has a positive impact on brand satisfaction. Aaker (1992) proposed that brand awareness can strengthen brand loyalty by increasing customer satisfaction and (Nam *et al.*, 2011) confirmed that brand awareness positively affects brand satisfaction. The influence of brand image on customer satisfaction leads to brand loyalty, and in turn, achieving and maintaining brand loyalty is the main factor in order to stay competitive in markets (Brexendorf *et al.*, 2010). Similar to this study findings, Ryu *et al.* (2012) found that brand image has a significant impact on customer satisfaction and revisit intention.

Customer loyalty is a significant metric for the industry due to its favourable implications concerning market share and financial performance. Whilst travellers' nationality moderates the path between physical qualities, staff behaviour and brand image on food quality satisfaction, it does not moderate the relationship between brand quality and brand awareness on satisfaction. Furthermore, travellers' nationality moderates food quality satisfaction and brand loyalty. This is one of the first studies providing empirical findings related to how travellers' nationality moderates satisfaction and brand loyalty.



### 5.1 Practical Implications

The research findings of this study confirm that the physical quality is critically important in determining service quality and tourist food quality satisfaction. The research findings suggest that in order to enhance the physical quality, restaurant managers should enhance decoration and tidiness and provide a comfortable place, lighting level and aroma. In this study, respondents rated decor as beautifully coordinated with great attention to detail, the restaurant was tidy, the restaurant provided a comfortable place, the whole restaurant environment's lighting level was appropriate, the restaurant scent was lovely and nice but the music was not an indicator to make the restaurant a more enjoyable place. Meal experience can be justified through the quality of products and the intangible aspects such as service (Longart, 2010). The food products of the restaurant will be an essential factor to ensure customers have positive word of mouth regarding their meal experience. Lang (2011) suggest to include friendliness of front-line staff and interaction, cleanliness and tidiness of store, the outcome of service encounter, and price which is crucial satisfaction components. Malaysian managers should understand the importance of these services and try to give more than what is needed by the customers to have an advantage over other competitors.

Moreover, in order to enhance service quality, staff behaviour plays an important role in determining tourist behaviour. In general, when interacting with tourists, helpfulness, anticipation of customers, listening and understanding, expertise and responsibility of staff are important. In this study, respondents agree that staff were helpful and friendly, anticipated what they wanted, and listened to the tourists, were talented and displayed a natural expertise. Respondents were not sensitive about staff having or not having the knowledge to respond to

their questions. This is because tourists do not expect staff to be very knowledgeable about all issues regarding travelling.

Brand equity was explained in three dimensions: brand quality, brand awareness and brand image. Restaurant managers should enhance the brand quality in order to increase customer food quality satisfaction and retention. Restaurants for being perceived by customers as high quality should set quality standards. It is important for tourists to know what the restaurant symbol or logo looks like and easily recognises the restaurant among other competitors. These factors and elements improve the brand awareness among local and international tourists. Accordingly, brand image plays a critical role in determining brand equity. It is critically important for managers at the restaurants to increase brand prestige to attract sophisticated people as guests, and instil in the tourists the perception that dining at a particular restaurant makes them feel special. For improving food quality satisfaction, hotels and restaurants should improve the customer service quality and brand equity. In summary, tourists should be fully satisfied and delighted with the services of restaurants. Brand loyalty can be achieved by enhancing service quality, brand equity and customer food quality satisfaction.

**5.2. Limitations of study and directions for future research**

This current study has several limitations. First, this study was limited to assessing how tourists experience restaurants in Malaysia. Future research should examine tourists’ behaviour and loyalty to a restaurant in other countries. Second, using survey and quantitative method, this study performed the cross-sectional data collection approach to empirically test the proposed research model. Future studies may use the longitudinal data collection approach, qualitative method or experimental design to explore tourist’s perceptions towards food quality and

restaurants brand. Likewise, further studies can discuss cultural aspects of travellers belonging to various cultural backgrounds and its implications to branding, for example, Asian versus European. The main questions that can be addressed are what are the similarities and differences, and why these matter for brand marketers? How and why travellers from different backgrounds perceive brands differently? Lastly, consumer experience behaviour is considered to be a construct in the relationship between service quality and brand equity. However, future researches should investigate tourist's dissatisfaction and actual discontinuous intention and their possible impact on hotel restaurants brand image and service quality.

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**Table 1:** Demographic characteristics of respondents

	Profile	Category	%
1	Age	19 years and below	7.3%
		20 to 29	27.1%
		30 to 39	39.8%
		40 to 49	18.1%
		50 and above	7.6%
2	Gender	Male	59.6%
		Female	40.4%
3	Educational Background	Ph.D.	6.8%
		Master	27.7%
		Bachelor degree	41.5%
		Diploma and below	20.9%
		Others	3.1%
4	Income (Monthly)	Below USD1,000	35.6%
		USD1,001 to USD2,000	29.9%
		USD2,001 to USD3,000	19.2%
		USD3,001 to USD4,000	14.1%
		USD4,001 and above	1.1%
5	Nationality	International Travelers	59.0%
		Local Travelers	41.0%
6	Type of Hotel/Restaurant	Normal Hotel/Restaurant	48.0%
		Budget Hotel/Restaurant	25.7%
		Luxury Hotel/Restaurant	19.8%
		Others	6.5%,

Table 2: Results of CFA for measurement model

Research Construct	Item	Cronbach's alpha <sup>d</sup>	Loading	Composite Reliability (CR) <sup>a</sup>	AVE <sup>b</sup>
PQ	PQ1	0.94	0.82	0.908	0.663
	PQ2		0.85		
	PQ3		0.80		
	PQ4		0.78		
	PQ5		0.82		
SFB	SFB1	0.91	0.81	0.888	0.664
	SFB2		0.82		
	SFB3		0.82		
	SFB4		0.81		
BQ	BQ1	0.89	0.85	0.878	0.706
	BQ2		0.83		
	BQ3		0.84		
BA	BA1	0.89	0.82	0.869	0.690
	BA2		0.87		
	BA3		0.84		
BI	BI1	0.91	0.81	0.851	0.657
	BI2		0.78		
	BI3		0.84		
CS	CS1	0.91	0.86	0.910	0.670
	CS2		0.81		
	CS4		0.84		
	CS5		0.80		
	CS6		0.78		
BL	BL1	0.93	0.84	0.906	0.706
	BL2		0.86		
	BL4		0.81		
	BL5		0.85		

*Note a:* Composite reliability = (square of the summation of the factor loadings)/{(square of the summation of the factor loadings) + (square of the summation of the error variances)}

*Note b:* AVE = (summation of the square of the factor loadings)/{(summation of the square of the factor loadings) + (summation of the error variances)}

*Note c:* Items PQ6, SFB5, CS3 and BL3 were removed due to low loading (below 0.60).

*Note d:* According to Cronbach and Meehl (1955) and Hair *et al.* (2009)

*Note:* The acronyms include physical quality (PQ), staff behaviour (SFB), brand quality (BQ), brand awareness (BA), brand image (BI), consumer satisfaction (CS) and brand loyalty (BL).



**Table 3:** Fit Indices and Recommended Values

Fit Measures	Results	Recommended Values*
Df	303	NA
$\chi^2$	92.723	NA
$\chi^2/df$	2.114	$\leq 3.00$
GFI	0.929	$\geq 0.90$
AGFI	0.882	$\geq 0.80$
CFI	0.947	$\geq 0.90$
RMSEA	0.007	$\leq 0.08$
NNFI (TLI)	0.914	$\geq 0.90$

Source: Hair *et al.* (2009)

Table 4: Hypotheses testing (direct effect)

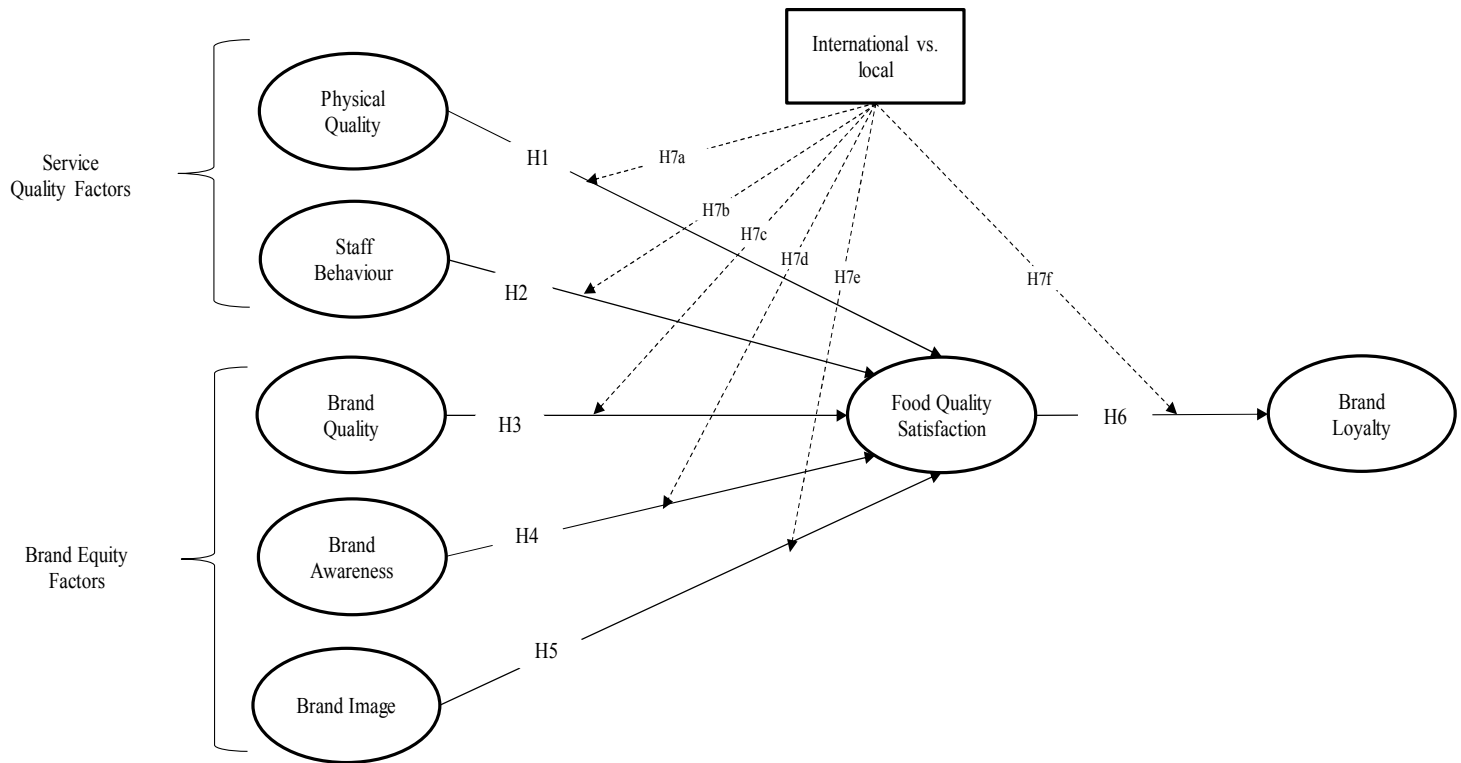
Hypotheses	Path			Estimate	Standard Error	T-value	P-value	Decision
H1	FQS	<---	PQ	0.34	0.08	2.17*	0.03	Supported
H2	FQS	<---	SFB	0.15	0.06	2.48**	0.01	Supported
H3	FQS	<---	BQ	0.22	0.04	2.43**	0.02	Supported
H4	FQS	<---	BA	0.17	0.03	3.41**	0.01	Supported
H5	FQS	<---	BI	0.28	0.09	6.31**	0.00	Supported
H6	BL	<---	FQS	0.32	0.06	13.53*	0.00	Supported

Note: one-tailed test: \*1.645 (significance level = 5% or 0.05); \*\*2.326 (significance level = 1% or 0.01)

Table 5: Multigroup moderation results (international vs. local travellers)

Hypothesis	Path			Group 1 (international travellers)		Group 2 (local travellers)		z-score	Moderation results
				Estimate	P-value	Estimate	P-value		
H7a	FQS	<---	PQ	0.090	0.204	0.366	0.000	2.764***	Supported
H7b	FQS	<---	SFB	0.144	0.133	0.245	0.014	2.814***	Supported
H7c	FQS	<---	BQ	0.038	0.627	0.211	0.047	1.313	Not Supported
H7d	FQS	<---	BA	0.061	0.519	0.053	0.581	0.847	Not Supported
H7e	FQS	<---	BI	0.715	0.000	0.530	0.000	1.739*	Supported
H7f	CL	<---	FQS	0.053	0.201	0.662	0.000	2.113*	Supported

Notes: \*\*\* p-value < 0.01; \*\* p-value < 0.05; \* p-value < 0.10



**Figure 1:** Theoretical research framework